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February 2010 Monthly Report for MTC

**To: Steve Heminger, Executive Director
MTC**

**From: Tom Bulger, President
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Re: Monthly Report for February 2010

- **Jobs Bill and Surface Transportation Extension Updates**
- **TIGER Grant Announcements**
- **Sustainable Communities Initiative Update**
- **MTC Staff appointed to Federal Advisory Committee**
- **MTC Represented at US Department of Transportation Surface Transportation Reauthorization Outreach**
- **February Meeting Updates**
- **MTC March Meeting Updates**

Jobs Bill and Surface Transportation Extension Updates

Senate Jobs Bill:

On February 24, the Senate passed the Hiring Incentives to Restore Employment Act (HIRE) — the first in a multi-bill package of jobs creation measures. The \$15 billion bill included:

- Extension of existing surface transportation program (SAFTEA-LU) through December 2010;
- \$19.5 billion transfer from the general taxpayer fund to the Highway Trust Fund (HTF). This would keep the fund solvent through 2011; and
- Other HTF provisions that would increase the HTF balance by several billion dollars annually, including alterations to the Internal Revenue Code, allowing HTF to collect interest for the first time since 1998, and shifting the burden of paying for motor fuel tax provisions to the General Fund.

The Senate bill does not include the \$37 billion in additional transportation infrastructure funds that was included as part of the House jobs bill — the Jobs for Main Street Act — that was passed in the House last December. The Senate has indicated that they will soon take up a second jobs creation measure that would include transportation infrastructure spending.

Major differences regarding transportation in the House and Senate jobs measures are detailed below:

	House	Senate
SAFTEA-LU Extension	September 2010	December 2010
Infrastructure Funding	\$37 billion	\$0 (to be addressed in future legislation)
Build America Bonds	Does not address.	Expands eligibility
Projects of National Significance and National Corridor Programs	Open funding to a competitive process.	Continue funding based on levels indicated in current legislation. This would result in California receiving almost 30% of program dollars, with 22 states receiving no funding.
Formula Funding Distribution	Distributes funds to all 13 current highway formula programs.	Distributes funding to 6 of the 13 current Highway formula programs. Of the programs that would receive <i>no funding</i> : Metropolitan Planning , Equity Bonus, Recreational Trails, and Safe Routes to School.

Before any jobs legislation is enacted, the House and Senate need to reconcile their bills. Although they convened on February 24th, a vote on the bill has been delayed.

Surface Transportation Policy (SAFTEA-LU) Extension:

The House and Senate adjourned for the weekend on February 26 without passing a further extension of the authorizing law for federal surface transportation programs. As the current extension of SAFTEA-LU expires at midnight February 28, most Federal Transit Administration (FTA) programs, Federal Highway Administration (FHWA) programs, and other programs funded by the Highway Trust Fund will lapse beginning March 1.

This means reimbursements to states will be halted for highway projects and transit programs administered by the FHWA and the FTA. On Tuesday, March 2, an estimated 4,000 federal highway, transit, and safety personnel must be furloughed, putting a halt to federal project approvals, safety enforcement, and transit starts. FTA has indicated that it will continue to process American Recovery and Reinvestment Act (ARRA) grants, which are funded from the General Fund. All FHWA employees are expected to face a temporary furlough.

The surface transportation extension was part of the jobs bill that is now being reconciled between the House and Senate. When it appeared that the entirety of the jobs bill would not pass, Congressional leaders attempted to strip out the extension language and pass a 30-day “emergency” extension as a way to keep the program running, but that attempt failed when Senator Jim Bunning (R-KY) blocked efforts on the Senate floor by threatening a filibuster.

Both chambers are expected to work during the week of March 1st to enact the extension of transportation programs through December 31, 2010.

TIGER Grants Announcement

The U.S. Department of Transportation (DOT) announced Transportation Investment Generating Economic Recovery (TIGER) grant recipients on Friday, February 17, 2010. Of the 51 projects receiving funding, four were in California. The San Francisco Bay Area is home to two of those projects and will receive funds totaling \$76 million. The projects are:

1. Doyle Drive Replacement

Location: San Francisco, CA

Sponsor: San Francisco County Transportation Authority and California Department of Transportation

Total Cost: \$1,045,000,000

TIGER Funding: \$46,000,000

2. California Green Trade Corridor/Marine Highway Project

Location: Oakland, Stockton, and West Sacramento

Sponsor: Ports of Oakland, Stockton, and West Sacramento

Total Cost: \$69,300,000

TIGER Funding: \$30,000,000

For the full report, go to <http://www.dot.gov/documents/finaltigergrantinfo.pdf>.

Sustainable Communities Initiative Update

Office of Sustainable Housing and Communities:

On February 18, the U.S. Department of Housing and Urban Development (HUD) officially announced its Office of Sustainable Housing and Communities (OSHC). Shelley Poticha from the Bay Area, and former President and CEO of Reconnecting America, will serve as director.

OSHC will serve to advance housing and communities that promote affordable, livable and sustainable living environments. This would include integration of transportation and land use planning, specifically transit oriented development (TOD). The Office will provide technical and policy support for energy, green building, and integrated housing and transportation programs at HUD and around the nation.

Additionally, the Office will be in charge of implementing and overseeing grant programs, including the future Sustainable Communities Planning Grant Program. With OSHC's grant programs, HUD will provide funding to metropolitan planning organizations (MPOs) — such as MTC — other government entities, and philanthropic organizations. These grants will be designed to encourage regions to build their capacity to integrate economic development, land use, transportation, and water infrastructure investments, and to integrate workforce development with TOD. Accordingly, OSHC's grants will be coordinated closely with DOT and the Environmental Protection Agency (EPA).

Sustainable Communities Planning Grant Program:

Congress has made \$100 million available for regional integrated planning initiatives through the Sustainable Communities Planning Grant Program. The goal of the program is to support planning efforts that integrate housing, economic development, and transportation decision-making in a manner that empowers jurisdictions to simultaneously consider economic, environmental, and equity challenges. An example of this could be projects involving TODs and affordable housing.

HUD is currently seeking input on how the program should be structured and has issued an Advance Notice and Request for Comments. All comments must be submitted by Friday, March 12.

Ann Flemer appointed to Federal Advisory Committee

Earlier this month, U.S. Secretary of Transportation Ray LaHood renamed MTC's Ann Flemer to serve on the Intelligent Transportation Systems Program Advisory Committee (ITSPAC). The members serve in an advisory capacity to the Secretary of Transportation on all matters relating to the study, development, and implementation of intelligent transportation systems (ITS). Through its sponsor, the ITS Joint Program Office, the ITSPAC makes recommendations to the Secretary regarding ITS program needs, objectives, plans, approaches, content, and progress.

Surface Transportation Reauthorization Outreach

Steve Heminger represented MTC at the DOT's Surface Transportation Reauthorization Outreach meeting with Secretary Ray LaHood and Senator Barbara Boxer (D-CA) on February 19, 2010 in Los Angeles, California. He participated in a panel that discussed transportation challenges facing the nation and the region, lessons learned from the American Recovery and Reinvestment Act, and how the surface transportation program could be improved through authorization and financing options. Specifically, he focused on opportunities and challenges for California MPOs in transportation planning and policy, including livability, state of good repair, and safety principles.

Monthly Meeting Update

Executive Director Steve Heminger was in town during the first week of February. On his visit we met with a number of members of Congress as well as with Committee staff. Details on those meetings are listed below:

Representative Lynn Woolsey

We met with Jennifer Goedke, Representative Woolsey's Deputy Chief of Staff. The conversation revolved around MTC's position concerning the SMART project.

Senator Dianne Feinstein

During a meeting with Senator Feinstein's transportation staffers, Matt Nelson and Ryan Hunt, we discussed High-Speed Rail, the Transbay Terminal, the Oakland Airport Connector project, and general project streamlining.

Speaker Nancy Pelosi

We met with Speaker Pelosi's staff members Erik Stallman, Scott Boule, and Robert Edmondson about the Oakland Airport Connector project, High-Speed Rail, and the Transbay Terminal.

Senator Tom Carper (D-DE)

Senator Carper is a member of both the Senate Environment and Public Works and Senate Finance Committees, and thus holds jurisdiction over a number of aspects of the surface transportation authorization. In our meeting with Senator Carper and his staff, Paul Schmid, we discussed how MTC, along with Metro partners, could provide legislative authorization support to the Senator.

Senate Banking Committee

Met with Senior Policy Advisor Mitch Warren to discuss both MTC's new Revolving Loan Fund for TOD/affordable housing, and transit aspects of the pending transportation authorization.

BN&SF Railroad

In a meeting with Amy Hawkins of BN&SF Railroad, we discussed the Joint Principles developed by the National Transportation Commission, of which Steve was a member.

Polly Trottenberg, Assistant Secretary for Policy at the DOT

Mr. Heminger was invited to participate in early February in a Bay Area Council trip to Washington, D.C. Along with the Bay Area Council; he also attended a series of meetings, including a meeting with Polly Trottenberg. The main topics included the Administration's agenda regarding livability, goods movement, and high-speed rail. The Administration is on track with their goods movement agenda, and will hold a goods movement meeting in San Diego.

We also garnered intelligence regarding the surface transportation authorization. The Administration is still struggling with an agenda for the comprehensive surface transportation authorization because of a lack of sufficient revenue or a funding source — the President's budget does not include an authorization agenda. They will continue to hold authorization listening sessions around the country — Mr. Heminger was invited to participate in the listening session in mid February in Los Angeles.

MPOs

On February 22, we attended a meeting with MPOs across the country regarding increased local control in the next transportation authorization. We introduced MTC's proposed Metro Mobility Program as a template for possible program legislation. There was interest in the program and we followed up and provided the attendees with more program-specific information.

Smart Transportation Forum

On February 25, we attended the smart transportation forum A Smarter Transportation System for the 21st Century, sponsored by IBM. There, Quentin Kopp, former MTC Chairman, spoke on the future of high-speed rail in the U.S.

MTC March Meetings Update

Throughout the month of February we have continued to prepare for the Commission's annual visit to Washington, D.C., which will take place the week of March 15. We have been scheduling meetings with members of the San Francisco Bay Area delegation, briefings with House and Senate Committees that have authority over transportation legislation, as well as with other members of Congress who will be key players in the transportation authorization.

We have also been working in conjunction with MTC staff, as well as staff from the Los Angeles County Metropolitan Transportation Authority, to plan MTC's annual transportation reception on March 16.